

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-077-00353R

Parcel No. 312/00559-430-000

Debbie Shannon,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on January 3, 2020. Debra (Debbie) Shannon is self-represented and asked that the appeal proceed without a hearing. Assistant Polk County Attorney Dominic Anania represents the County Board of Review.

Shannon owns a residential property located at 2509 Pine Circle, Urbandale, Iowa. Its January 1, 2019 assessment was set at \$212,500, allocated as \$26,000 in land value and \$186,500 in building value. (Ex. A).

Shannon petitioned the Board of Review contending her assessment was not equitable as compared with assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition. (Ex. B).

She then appealed to PAAB re-asserting her claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the

appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a one-story townhome built in 1985. It has 1251 square feet of gross living area, a full basement with 920 square feet of living-quarter quality finish, a deck, a patio, and a two-car attached garage. The improvements are listed in normal condition with a 3+05 grade (good quality). (Ex. A).

Shannon listed four one-story townhomes from her subdivision that she believes demonstrate her property is inequitably assessed. (Exs. C-H & Appeal). The following table is a summary of the properties.

Comparable Properties	Gross Living Area (SF)	Basement Finish (SF)	Assessed Value
Subject	1251	920 LQ	\$212,500
1 - 2500 Pine Cir	1249	No Finish	\$182,000
2 - 8048 Cobblestone Rd	1255	No Finish	\$174,800
3 - 8092 Cobblestone Rd	1251	No Finish	\$179,800
4 - 2540 Pine Cir	1249	850 Avg Plus	\$203,000

Shannon asserts her assessment should be \$189,900 based on the total assessed value of these three properties. (Appeal). There is no evidence to suggest any of these properties have recently sold and Shannon did not provide an opinion of actual value of her property as of January 1, 2019.

The Board of Review acknowledged Shannon's comparable properties are in close proximity and similar to her home but there are distinctions accounting for the differences in value. (Ex. I, p. 2¹).

All of the properties were built in either 1984 or 1985, have the same assessed land value, and the same grade/condition ratings as the subject property.

The subject property has a patio, whereas only Comparable 2 also has this feature. The subject's patio adds a replacement cost new (RCN) of \$582 to the assessment. (Ex. A). The subject has 920 square feet of living-quarter quality basement finish adding roughly \$31,383² depreciated value to the total assessment. In comparison, Comparables 1, 2, and 3 do not have any basement finish. (Exs. E-G). These two differences alone account for roughly \$32,000 between the assessed values of these properties compared to the subject.

Comparable 4 is the most like the subject property. It has 850 square feet of average-plus quality basement finish with a depreciated value of \$22,304.³ (Ex.H). The difference in amount and quality of basement finish is roughly \$9,100, which explains its lower assessment compared to the subject property.

Analysis & Conclusions of Law

Shannon contends the subject property is inequitably assessed as provided under Iowa Code section 441.37(1)(a)(1). Shannon bears the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v.*

¹ The Board of Review submitted a two-page background and analysis of the data Shannon submitted. We note the "substantive background" portion of its summary, intended to describe the subject property and the petition/appeal is incorrect. The "analysis of data" section is correct and relevant to Shannon's equity comparables.

Because the record includes the subject's property record card, the Board of Review's decision, and Shannon's petition/appeal, we do not find the error materially affects our ability to render a decision based on the evidence submitted.

² \$38,272 replacement cost new X 0.82 physical depreciation = \$31,383 depreciated value.

³ \$27,200 replacement cost new X 0.82 physical depreciation = \$22,304 depreciated value.

Bd. of Review of the City of Davenport, 497 N.W.2d 860, 865 (Iowa 1993). Here, we find Shannon did not demonstrate the Assessor applied an assessing method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like properties using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709, 711 (Iowa 1965). The *Maxwell* test provides inequity exists when, after considering the actual and assessed values of similar properties, the subject property is assessed at a higher proportion of its actual value. *Id.* This is commonly done through an assessment/sales ratio analysis comparing prior year sales (2018) and current year assessments (2019) of the subject property and comparable properties. It is insufficient to simply compare the subject property's assessed value to the assessments of other properties or to compare the rate of change in assessment amongst properties.

Shannon submitted four comparable properties but none have recently sold and we cannot develop the *Maxwell* ratio analysis for these properties. While Shannon's selected comparables are facially similar to her property, for the reasons previously discussed, there are distinctions that affect the cost of the properties resulting in lower assessments compared to hers.

The *Maxwell* analysis also cannot be completed because a price ratio also needs to be developed for the subject property. The subject property did not recently sell, nor did Shannon offer evidence of its January 1, 2019, market value that is consistent with section 441.21.⁴ Both a ratio for similar properties as well as the subject property is required in order to determine if the subject property is assessed at a higher proportion of its actual value than other similarly situated properties.

Viewing the record as a whole, we find Shannon failed to prove the subject property's assessed value is inequitable.

⁴ Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

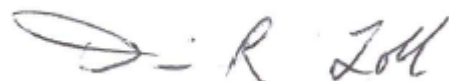
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Karen Oberman, Board Member



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

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